



**ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION**  
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPRC)

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<b>Com. P.B. Thomas</b> Chairman Thiruvananthapuram M: 09447177456	<b>Com. Nitin Desai</b> President Ahmedabad M: 09727760641	<b>Com. S. Bagchi</b> Working President Kolkata M: 09830981586	<b>Com. N. Govindarajulu</b> General Secretary Chennai M: 09841089111
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Ref. No. GS:112/ 2017

15th September , 2017

**Shri Raj Kiran Sethi,**  
**Managing Director & Chief Executive Officer,**  
**Union Bank of India,**  
**Union Bank Bhavan,**  
**239, Vidhan Bhavan Marg,**  
**Nariman Point, Mumbai - 400 021**

Respected Sir,

**Sub: Medical Insurance Scheme for Retirees - Request for grant of subsidy and Interest free Loan for payment of Insurance Premium**

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The Medical Insurance Scheme for Retirees was implemented in our Bank based on the 10<sup>th</sup> Bipartite Settlement. No sooner Staff Circular No. 6212 dated 30/06/2015, we had, vide our letter No.GS:124 dated 10<sup>th</sup> August, 2015 addressed a detailed letter to you (copy enclosed). In view of the heavy financial burden faced by the Retirees, we had requested you to kindly waive payment of Insurance premium by the Retirees, by absorbing the same from Staff Welfare Fund. You may be aware that as per Khandelwal Committee recommendations, 25% of the funds allocated for Staff Welfare measures have to be earmarked for Retirees. However, we have gathered that the funds allotted/utilised for Retirees was far from the benchmark indicated by the Committee.

Our request was not favourably considered by the Management and the Retirees interested in joining the scheme paid Insurance premium – Officers – Rs.7493/- and Award Staff members – Rs.5620/- with considerable financial strain.

We had brought to your kind notice that Banks like Punjab National Bank, Syndicate Bank and Punjab & Sind Bank had granted 50% subsidy from Staff Welfare Fund to enable the Retirees to pay the Insurance premium. However, our Bank did not extend any such facility to the Retirees.

While we had felt financial stress at the time of joining this scheme, it was a bolt from the blue for the Retirees that at the time of renewal of the Insurance Policy, the premium was increased more than two fold – from Rs.7493/- to Rs.16025/- for Officers and Rs.5620/- to Rs.12020/- for Award Staff members. Further, to avail the domiciliary cover, the premium stood at Rs.20010/- for Officers and Rs.14950/- for Award Staff members. The steep increase in premium was a severe blow to many Retirees who were already reeling under severe inflationary pressures and substantially higher medical expenses incurred by them. To mitigate the difficulties of the Retirees, we had, vide our letter No. GS:132 dated 17/10/2016, requested you to kindly consider granting loan at MCLR and approval was given for granting maximum loan for payment of premium repayable in 6 EMI with interest at MCLR ( 9.40%) which helped the Retirees to tide over the difficulty temporarily.

While on the subject, we may inform you that Indian Overseas Bank has approved payment of Rs.3690/- and Rs.2800/- to Officers and Award Staff members out of REMAS funds collected from the members. Similarly Bank of Baroda, vide its Circular No. HO:BR:108/148 dated 15<sup>th</sup> October, 2016, approved reimbursement of Rs.3000/- on full/pro-rata basis towards Medical Insurance premium paid by the Retirees from the Bank's Staff Welfare Fund after one month of the renewal of the policy. We reliably understand that other Banks like Punjab National Bank and United Bank of India have also come to the rescue of its Retirees by granting subsidy out of their Staff Welfare fund.

In view of the positive stand taken by many Public Sector Banks, we had requested for grant of 50% subsidy for the Insurance premium paid by the Retirees out of Staff Welfare Fund. We also brought to attention that substantial funds-collected as one time membership fee for UBIREMAS are lying with the Bank, earning substantial interest year after year. Our request made in November, 2016 is yet to be considered favourably.

While this being so, we reliably understand that United India Insurance Company Limited have increased the premium payable for the Insurance Policy for the Retirees for the year 2017-18 ( November - October) as under:

**Without domiciliary cover:**

Award Staff - Rs. 12333/- ( Rs.12020/-)

Officers - Rs.16443/- ( Rs.16025/-)

Increase due to GST @18%

**With domiciliary cover:**

Award Staff: Rs. 27750/- ( Rs. 14950/-)

Officers: Rs.36998/- (Rs.20010/)

The proposed increase in Insurance Premium is substantial and will cause severe strain on the finances of the Retirees. **While our demand for rolling back the Insurance premium has been taken up with Indian Banks' Association**, we once again request you to kindly grant 50% of the premium payable by the Retirees as subsidy out of Staff Welfare Funds meant for the Retirees. We also request you to kindly consider granting Interest Free Loan covering full payment of Insurance premium by the Retirees.

We look forward to your favourable response on both the above issues.

Thanking you,

Yours faithfully,



**(N. GOVINDRAJULU)**  
**GENERAL SECRETARY**

Cc: Com. P.B. Thomas, Chairman, AIUBPARF  
Com. Nitin Desai, President, AIUBPARF  
Com. S. Bagchi, Working President, AIUBPARF  
Com. P.K. Sarkar, Advisor, AIUBPARF  
Com. B.N. Shukla, Advisor, AIUBPARF  
Com. B.N. Bhattacharjee, Advisor, AIUBPARF